

Dear FCC Commissioners:

I am writing to strongly urge you to revise your proposed rule under the Telephone Consumer Protection Act (TCPA) restricting the use of autodialers to contact consumers on their wireless numbers unless the consumer has given the calling party prior express written consent. We are concerned that the proposed rule could adversely impact our industry's ability to communicate with consumers, conduct business, and provide valuable and essential services to the financial services industry. We believe that we share many of the same goals regarding consumer protection and that regulation should both protect the rights and interests of consumers and allow for the collection of legitimate debts. Accurate and ethical debt collection activities serve a market clearing function between issuers and users of credit and work to keep our credit markets functioning properly.

Encore Capital Group, Inc. has been in the collection and financial services business for 56 years, has been publicly traded for 10 years, and we currently employ more than 1,650 people. We contribute in excess of \$200 million dollars to the national economy each year. In addition to employing a large number of people, Encore has enabled nearly one million consumers to retire a portion of their outstanding debt since 2007 as they work toward improving their financial health. In order to ensure that we are collecting from consumers owing legitimate debts we have invested deeply into analytics and have developed a strong core competency in consumer intelligence. In fact, from our inception through December 31, 2009, we have invested approximately \$1.4 billion to acquire 28.8 million consumer accounts with a face value of approximately \$43.8 billion in debt.

As a member of the debt buying and debt collecting industries, our company's communications with consumers are strictly regulated by the Fair Debt Collection Practices Act, the Fair Credit Reporting Act, and numerous other federal and state consumer protection laws. These laws provide extensive protections regarding the manner in which we communicate with consumers and clearly dictate what can and cannot be said in such communications.

The proposed rule is inconsistent with the original intent of the TCPA. When the TCPA was passed in 1991, the intent was to limit the ability of marketers to randomly dial numbers of non-customers for the purpose of making unsolicited attempts to sell them a product or service. The TCPA applies to telemarketing, which Congress and the FTC have interpreted to exclude calls to recover debts. Moreover, when the TCPA was implemented, cell phones were widely considered novelties, and receiving calls on cell phones was significantly more expensive than today. Indeed, the landscape today is drastically different. Recent surveys show that over twenty percent of all U.S. households have only a wireless telephone line. Further, trends in recent years suggest this rate will continue to rapidly increase.

From a practical standpoint, the new requirements would severely restrict communications between

debt collectors and consumers who exclusively use cell phones. Unfortunately, the proposed rule would serve to not only prevent businesses from accurately and efficiently contacting consumers, but to deprive consumers of the opportunity to resolve their outstanding debt. Without the ability to efficiently communicate with consumers by phone, there would likely be an increase in lawsuits brought against consumers as an alternative to collecting via direct phone communication. This would be an undue burden on the industry, the judicial system and, most pointedly, an extreme burden on consumers themselves. Resolving household debts through fair and cooperative communications rather than unnecessary litigation is certainly preferable for all parties involved.

Further, one of the main claims leveled against predictive dialers is their ability to randomly or sequentially generate numbers to reach customers. The predictive dialers used in our industry are valued for their accuracy and efficiency in dialing the numbers provided to us by our clients. These dialers enhance the compliance capabilities of debt collectors by eliminating human error, making it possible to restrict calls to certain numbers, to certain individuals, to certain hours and to a set number of calls. Indeed, rather than assist us to randomly call the wrong consumers who do not owe debt (which we would have no interest in doing), dialers greatly aid us to make contact with the right consumers, whom we seek to work with to retire outstanding debt. This technology is important to help the industry remain compliant with all current federal and state laws while ensuring that the right consumers are contacted in a timely manner. The proposed rule would unduly hamper such efforts.

I strongly urge the FCC to revise its proposed rulemaking under the TCPA in a manner that properly recognizes the importance of continued, timely communication between businesses and consumers via their wireless numbers. Please also review comments submitted by my trade association, ACA International, to make needed revisions to this proposed rule. Thank you for your attention to this critical issue.

Sincerely,

Ronald E. Naves, Jr.
Senior Vice President and General Counsel
Encore Capital Group, Inc.